National Film Board of Canada

Departmental Performance Report

2015–2016

The Honourable Mélanie Joly, P.C., M.P.
Minister of Canadian Heritage

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Minister's Message

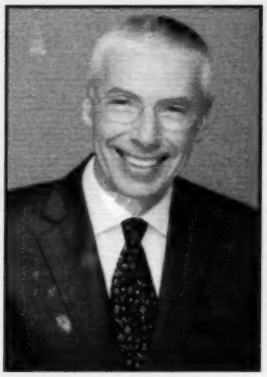
For close to 150 years, Canadians have been working together to build an open and inclusive country that draws strength from its diverse culture, its two official languages, and its relationship with Indigenous peoples. The organizations of the Canadian Heritage Portfolio, including the National Film Board of Canada (NFB), have an important role to play in fostering diversity and social inclusion. They preserve our history and promote our cultural content both here at home and beyond our borders. In a world where Canadians' spirit of innovation and the cutting-edge use of digital technologies continue to grow in importance, I am delighted to present the accomplishments of these organizations.

Through its 11 production studios, the NFB collaborates with filmmakers and creators from all regions of the country to offer audiovisual works reflecting the diversity of Canadian cultures and communities. By making its works accessible around the world, the NFB not only helps make Canadian society better known at home and abroad but also helps win recognition for the talent of Canadian creators. Fully engaged in exploring digital technologies, the NFB continues to innovate by developing interactive productions in virtual reality and other formats that renew the audiovisual arts.

As Minister of Canadian Heritage, I invite you to read the *2015–2016 Departmental Performance Report* for the NFB. In it, you will discover how the NFB has fulfilled its mission and helped achieve the goals of the Government of Canada.

The Honourable Mélanie Joly

Commissioner's Message



The year 2015–2016, the second in my five-year term as head of the National Film Board of Canada (NFB), saw important changes and major new initiatives within the organization. Three key strengths enabled us to continue to stand out as leaders in the world media landscape: our aptitude for creation and innovation, an ability to engage our audiences in our works, and a dynamic, evolving organizational structure.

Over the past year, the NFB released 43 original productions and co-productions, and our documentaries, animated films and interactive works garnered attention worldwide. The NFB received 66 awards: 35 in Canada and 31 abroad, including one Canadian Screen Award, two Prix Gémeaux, a Special Jury Prize at Hot Docs, two NUMIX awards, three Webby Awards and a prize at the Annecy International Animation Film Festival.

The year 2015–2016 was also marked by major organizational changes at the NFB. First of all, in February 2016 we established an institutional programming and production unit. Its mandate is to spearhead our efforts to build traditional and non-traditional relationships with major strategic partners from the public and private sectors, so that we can produce and co-produce ambitious works that would be impossible without them.

Next, in March 2016 we established a unit in charge of digital media and interactive studio programming and production, to integrate and harmonize the NFB's digital platforms. The development and enhancement of these platforms are key steps that not only will let us focus our future efforts on our audiences but also will ensure their continuing engagement with us in the long term. We also continued to meet the challenge of making our works accessible, both through the NFB.ca | ONF.ca online Screening Room and through our ambitious digitization plan.

Throughout the year, with the same goal of bringing the NFB closer to its audiences and its partners, we continued to prepare for the relocations of our head office in Montreal and other NFB offices around the country. The move of our Montreal head office to the heart of the city's Quartier des Spectacles entertainment district is scheduled to begin in the second quarter of 2018. In making this move, we are working closely with the Société d'habitation et de développement de Montréal (SHDM) and the City of Montreal. We are also carrying out a plan to mobilize our employees and involve them in designing a modern, creative and flexible new work environment that will enhance the ways in which we work together.

As a federal cultural institution, the NFB seeks to reflect the increasingly diverse people of Canada, not only among its own staff and the artists and artisans with whom it collaborates, but also in the works that it produces and co-produces. To this end, the NFB established a diversity

committee in December 2015 to implement mechanisms that help us meet our obligations regarding employment equity, multiculturalism and official languages, and to encourage the diversity in ideas and perspectives that is central to our mandate and helps to drive our innovation and organizational effectiveness to a higher level. This committee's thoughtful efforts have already produced an employment-equity plan for achieving full representation of the four designated groups within the NFB's workforce.

Beyond achieving representativity, we want to make our workplace an inclusive space where every employee has the same chances of advancing within the organization and developing personally and professionally. We want the NFB to be a place where everyone feels free to contribute to the organization's success with no fear of being judged by others or of encountering prejudice because of their beliefs, language or cultural origins.

Another important aspect of diversity is the role of women in our organization and in the works that we produce. The NFB is recognized as an institution where women can create significant works and play a decisive part in producing its films, whether in front of the camera, behind the camera or in management positions. In 2015–2016, women's excellence shone in various projects that represented 43 percent of our total production budget. To signify our determination to achieve gender parity in our productions, we have committed to ensuring that by 2019 half of our productions will be directed by women and half of our total production budget will be devoted to works by female directors. This initiative will give expression to the vitality of women's voices and enrich the variety of realities and perspectives represented in the NFB's works.

As a Canadian cultural institution, the NFB also wants to serve as a model not only in promoting the French and English languages, but also in taking positive steps to support French-speaking and English-speaking minorities throughout the country. In one such step, in October 2015 the NFB signed a three-year agreement with the English Language Arts Network (ELAN) and the Quebec English-language Production Council (QEPC). The purpose of this agreement is to strengthen the audiovisual sector and the vitality of Quebec's English-speaking communities. Our partnership with ELAN and QEPC is a first for a federal cultural agency in Quebec and reflects the NFB's commitment to fostering the development of Canada's official-language minority communities.

In closing, the NFB consists of nearly 400 talented people who are dedicated to creating experiences that move Canadians—and people everywhere—and speak to their thoughts, emotions and imaginations. This task is a privilege, but also a responsibility, because we are striving to be a significant presence in the public's cultural life. Now more than ever, in a world that is constantly changing, we have a role to play.

Claude Joli-Coeur
Government Film Commissioner and
Chairperson of the National Film Board of Canada

Results Highlights

Financial Resources Used

$59,832,360
Actual spending

Human Resources

374 FTEs

Results Highlights

- ✓ **Production of audiovisual works:** A total of 119 works produced or co-produced during the 2015-2016 fiscal year, including 43 original films, 6 websites, 2 apps, 2 interactive installations, 1 game, 1 virtual reality project, and 64 films in support of interactive works.
- ✓ **Creation and innovation:** Exploration of new creative and interactive forms, with the Virtual Reality Lab for VR documentary projects and the Creation Lab for interactive installation projects.
- ✓ **Recognition for the NFB:** 66 awards – 35 received in Canada and 31 on the international scene; NFB expertise recognized by 151 industry panels, presentations and round tables around the world.
- ✓ **Diversity of viewpoints:** 56% of NFB original films directed by women, 30% by emerging filmmakers, 23% by official-language minority filmmakers, 16% by filmmakers from ethnocultural communities and 12% by Aboriginal filmmakers.
- ✓ **Audience engagement:** Six Virtual Classrooms offered in English and French to 18,200 students across Canada, with such well-known figures as astronaut Chris Hadfield and filmmaker Alanis Obomsawin.
- ✓ **Partnerships:** Memorandum of agreement between the NFB and the City of Montreal for co-production of a scientific digital work to be shown at the Rio Tinto Alcan Planetarium to mark Montreal's 375th anniversary.

Section I: Organizational Overview

Organizational Profile

Appropriate Minister: The Honourable Mélanie Joly, P.C., M.P. Minister of Canadian Heritage

Institutional Head: Claude Joli-Cœur, Government Film Commissioner

Ministerial Portfolio: Department of Canadian Heritage

Enabling Instrument(s): *National Film Act* [i], R.S.C., c. N-8

Year of Incorporation / Commencement: 1939

Other: The NFB Board of Trustees is currently composed of seven members: the Government Film Commissioner, who acts as the Board's chairperson, the Executive Director of Telefilm Canada and five other members appointed by the Governor in Council. With the exception of the Commissioner and Executive Director of Telefilm Canada, Board members serve three-year terms. The Board's primary role is to define the NFB's broad directions and approve its budgets and strategic plans.

Organizational Context

Raison d'être

The National Film Board of Canada (NFB) was created by an Act of Parliament in 1939 and is a federal agency within the Canadian Heritage portfolio. The NFB's mandate is to produce and distribute original and innovative audiovisual works that add to our understanding of the issues facing Canadians and raise awareness of Canadian values and viewpoints across the country and around the world. Over the decades, it has become the standard for audiovisual innovation in Canada and plays an important role by highlighting the changes and key events in Canadian society.

As a producer and distributor of audiovisual works, the NFB provides a unique perspective on Canada's cultural wealth and diversity. The NFB explores contemporary social issues through point-of-view documentaries, auteur animation and new-media content. Today, our artists and artisans continue to lead the way with advances in form and content in documentary, animation and interactive film.

Responsibilities

As Canada's public producer and distributor of audiovisual works, the NFB documents the history and culture of the nation for both domestic and international audiences. Over the past 75 years, the NFB has produced more than 13,000 works and received more than 5,000 awards, inspiring and influencing generations of filmmakers in Canada and across the globe. Its audiovisual works offer special insight into the diversity and vitality of our culture and are an essential part of our national heritage.

The NFB is governed by the *National Film Act*[ii] and a series of other statutes, including the *Financial Administration Act*[iii] (which sets out the government's financial administration structure and process), the *Access to Information Act*,[iv] the *Privacy Act*,[v] the *Official Languages Act*[vi] and the *Canadian Multiculturalism Act*.[vii]

As a producer, the NFB carries out its responsibilities by constantly investing in new creative fields in documentary, auteur animation and interactive media. It seizes the artistic and technological opportunities that arise in the media landscape and collaborates with emerging and established filmmakers, creators and co-producers in every region of Canada, with Aboriginal and culturally diverse communities as well as partners around the world. Creativity and social relevance are the core features of its productions.

The NFB fulfills its role as a distributor by making sure that both Canadian and international audiences have access to its Canadian content and are able to interact with it on a variety of traditional and virtual distribution networks. This task is carried out through the following activities:

- conserving and preserving its heritage film collection;
- distributing and marketing its works in consumer markets;
- distributing and promoting its works in Canadian and international educational markets and institutional markets;
- promoting its works to the national and international audiovisual industry.

The NFB's new productions and extensive film collection—the collective memory of the nation—are increasingly accessible to all Canadians, in every province and territory.

Strategic Outcome and Program Alignment Architecture

1. Strategic Outcome: Canadian stories and perspectives are reflected in audiovisual media and accessible to Canadians and the world.

1.1 Program: Audiovisual Production
1.2 Program: Accessibility and Audience Engagement
1.2.1 Sub-Program: Conservation and Preservation
1.2.2 Sub-Program: Consumer Access and Engagement
1.2.3 Sub-Program: Educational and Institutional Access and Engagement
1.2.4 Sub-Program: National and International Industry Outreach
Internal Services

Operating Environment and Risk Analysis

NFB organizational context and environment

Since the advent of digital technologies, the audiovisual industry has been undergoing a major transformation, and the NFB must adapt and evolve in this context. The existing business models in the industry have been upset by the erosion of traditional sources of revenue and the proliferation of distribution platforms. Most notably, the popularity of platforms for publishing online content, such as Netflix and YouTube, strongly affects how the NFB promotes its works and makes them available for the public to discover.

The NFB currently has nearly 400 employees striving to carry out its mandate in both official languages all across Canada. It has production facilities located in Vancouver, Edmonton, Toronto, Montreal, Moncton and Halifax, with satellite offices in St. John's, Winnipeg and Regina. Its Headquarters are located in Montreal, where the majority of the employees work.

The NFB's internal environment has notably been affected by the restructuring plan launched in March 2015, which, among other things, called for downsizing staff in Toronto and Montreal. The measures taken have resulted in $5 million in savings, which have been reinvested in the organization. While achieving these efficiencies, the NFB has also been able to preserve its programming and production budgets.

The NFB's activities were also marked in 2015–2016 by the move of the Moncton and St. John's offices and by planning for the relocation of NFB Headquarters to the Quartier des spectacles entertainment district in spring 2018 and the move of the Toronto and Edmonton offices scheduled for fall 2016.

Key Risks

Risk	Risk Response Strategy	Link to the Organization's Programs
1. Risk of a discrepancy between corporate capacity and workload	Deployment of the operational plan 2013-2018	Audiovisual Production Accessibility and Audience Engagement Internal Services
2. Risk of a significant reduction in the NFB's revenues	▪ Development of the new business plan (incl. Explore new sources of revenue, new partnerships and international markets, etc.) ▪ Develop new business models ▪ Maintaining internal efficiencies programs	Audiovisual Production Accessibility and Audience Engagement Internal Services

Risk of a discrepancy between corporate capacity and workload

Of the two risks noted in the 2015–2016 Report on Plans and Priorities, that of a discrepancy between corporate capacity and workload was the best managed, with the major technological projects and the restructuring that were undertaken. The two new information and media management systems and implementation of the new distribution platform on NFB.ca put great pressure on the NFB's resources but without undue delays in the launch of these projects. The announcement of additional funding for 2016–2017 will give the NFB more leeway in deploying its Strategic Plan.

Risk of a significant reduction in the NFB's revenues

For the past several years, the NFB's financial position has been an issue that has had a significant, ongoing impact on achieving its expected outcomes, developing its plans and establishing its priorities. The general decline in the audiovisual production market and the erosion of traditional revenue sources, such as DVD sales and broadcast licences, are the main factors accounting for the downward trend in NFB revenues. To address this risk of decreasing revenues, the NFB continued to take steps to strengthen its financial capacity.

The risk was mitigated, however, by the announcement of an additional allocation in the 2016 budget and by the internal budget review conducted in spring 2015 that identified certain sources of recurring savings. Despite this announcement and efforts made within the NFB, its budget still had to allow for a 9% decline in revenue sources compared to 2014–2015. Furthermore, the partnership with Cinéma Excentris had to be abandoned when the organization went bankrupt, reducing potential revenue for the NFB. However, this will not prevent the NFB from developing other partnerships for offering more content on NFB.ca.

The NFB's operations were also marked by the ending of the educational workshops given in Toronto and Montreal. This activity was losing money, and it was not possible to make up for the shortfall with other revenue sources, such as CAMPUS subscriptions. The risk response strategy consisted in developing a new business plan, converting these workshops into online educational services that would be accessible to a broader audience and schools across Canada.

Organizational Priorities

Creative laboratory for programming

Description

Efforts made in relation to this priority will enable the NFB to develop an interdisciplinary artistic approach in order to create new art forms, increase the diversity of voices and participate in work with a national scope. With its focus on issues of social relevance, NFB storytelling brings a fresh perspective on the world and breaks new ground in content and form. Through this priority, the NFB will continue to exercise its leadership in innovation and creative excellence in both official languages.

Priority Type[1]

Ongoing

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Programs
• Explore new creative and interactive forms via DocLabs, through the use of multimedia platforms and new formats for audiovisual works	April 2007	To be determined	Ongoing	Program 1.1: Audiovisual Production
• Use renowned documentary filmmakers and new talent, for example, through the Relance and Tremplin programs and the Cinéaste recherché(e) competition	April 1980[2]	To be determined	On track	Program 1.1: Audiovisual Production
• Produce audiovisual works that tell Canadians' stories and present social-issues stories from a Canadian perspective	To be determined	To be determined	Ongoing	Program 1.1: Audiovisual Production

1. Type is defined as follows: previously committed to—committed to in the first or second fiscal year prior to the subject year of the report; ongoing—committed to at least three fiscal years prior to the subject year of the report; and new—newly committed to in the reporting year of the Report on Plans and Priorities or the Departmental Performance Report.

[2] April 1980 for the Cinéaste recherché(e) competition and April 2005 for the Tremplin program. Launch of the Relance program had to be postponed owing to a lack of funds.

• Heightening accessibility to producing NFB works for communities through innovative and motivational initiatives such as the International Program for Auteur Creation	To be determined	To be determined	Ongoing	Program 1.2: Accessibility and Audience Engagement
• Increasing partnerships with audiovisual content owners and distributors	April 2015	To be determined	On track	Program 1.2: Accessibility and Audience Engagement
• Establishing business relationships with potential partners for the production of projects in conjunction with Canada's 150th anniversary	April 2015	December 2018	On track	Program 1.2: Accessibility and Audience Engagement

Progress Toward the Priority

- Of the 43 NFB original films made in 2015–2016, 56% were directed by women, 30% by emerging filmmakers, 23% by official-language minority filmmakers, 16% by filmmakers from ethnocultural communities and 12% by Aboriginal filmmakers.
- The NFB, in co-operation with Radio-Canada, launched the 2016 edition of the Tremplin competition, designed to give emerging French-speaking filmmakers outside Quebec a chance to direct their first or second documentary. The films made by the two winners will be telecast on Radio-Canada on March 31, 2017.
- For the 11th edition of Hothouse, the NFB's signature lab for developing talented animators, six directors from the various regions of Canada were selected.
- The NFB established a partnership with JustFilms,[3] in co-operation with the Canadian Film Centre, to offer support for 12 multidisciplinary artists from under-represented communities as part of a creative laboratory to be launched in fall 2016.
- In 2015–2016, the NFB established a partnership with the Quartier des spectacles, France Télévisions and ARTE in order to develop new interactive projects.
- A partnership between the NFB, New Media Manitoba, On Screen Manitoba and the Canadian Museum for Human Rights (CMHR) resulted in the establishment of the Creation Lab, an innovative project for prototyping interactive installations.

[3] The Ford Foundation's film program

- In November 2015, the NFB teamed up with the IDFA DocLab[4] to create the Virtual Reality Lab, combining programming, creation and business opportunities to support innovative VR documentary projects.
- In February 2016, the NFB launched a brand-new subscription video-on-demand (SVOD) service powered by Vimeo. Documentary and animation fans can now have access to NFB shorts on demand, in English and French, on a variety of platforms.
- The NFB dug into its extensive heritage collection to create three DVD compilations containing some 50 films to welcome Syrian refugees.
- During the past year, the NFB launched *Unikkausivut – Nunatsiavut*, another chapter in the NFB's landmark audiovisual legacy project, *Unikkausivut: Sharing Our Stories*. This new box set brings together films illustrating 40 years of Labrador Inuit history and culture.
- The NFB once again showed its commitment to Canada's official-language minority communities with the signing of a pioneering agreement to strengthen the cultural vitality of Quebec's English-speaking communities.
- For the 11th year in a row, the NFB participated in the Rendez-vous de la Francophonie, now in its 18th edition. This year, the emphasis was on recent films from the Tremplin competition for emerging French-speaking filmmakers outside Quebec, held in co-operation with Radio-Canada. A total of 182 screenings were presented in 59 cities across Canada.
- As part of the First World War commemorations, the NFB partnered with Parks Canada to create a French-subtitled version of the film *John McCrae's War: In Flanders Fields*, which was shown at some 20 Parks Canada historic sites and abroad through the Department of Foreign Affairs' network.
- During the 2015 Pan Am Games in Toronto, the NFB presented the film installation *Souvenir* at the Aboriginal Pavilion. The series of four short films were made from NFB archival material by Aboriginal filmmakers Jeff Barnaby, Michelle Latimer, Caroline Monnet and Kent Monkman. The shorts later screened at the imagineNATIVE Festival, and Caroline Monnet's *Mobilize* was programmed at the Toronto International Film Festival (TIFF) and Sundance.
- *Apocalypse 10 Lives*, a unique interactive experience blending an animated graphic novel with archival documents, was created to help teachers pass on the duty of remembrance during the Centenary of the First World War.
- For the 375th anniversary of the City of Montreal, the NFB and the City signed an important memorandum of agreement that will notably result in the co-production of a scientific digital work to be launched in the summer of 2017 at the Rio Tinto Alcan Planetarium.

[4] A program of the International Documentary Film Festival Amsterdam

Creative laboratory for technology

Description

The goal is to position the NFB as a leader in the use of innovative technology for the production and distribution of content that can be easily accessed by audiences. In Canada, the NFB has been at the forefront of digital preservation and strategies to increase the accessibility of Canadian content online. The development of new technologies and creative workflows improves work processes and efficiency. Achieving the above priority will therefore further enable the NFB to share its expertise in Canada and internationally.

Priority Type

Ongoing

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Programs
• Establish a fully digital production method for sound and image processing as well as for managing production-related information	April 2015	March 2017	On track	Program 1.1: Audiovisual Production
• Develop a documentary project using immersive 360-degree capture, which allows for transmission on a circular 360-degree screen	April 2015	December 2017	On track	Program 1.2: Accessibility and Audience Engagement
• Finalize the digitization of the NFB's active collection and finalize the last phase of the NFB assets relocation plan, which will result in securing 100% of the NFB's active collection	April 2009	December 2017	On track	Program 1.2: Accessibility and Audience Engagement

Progress Toward the Priority
• Following the digital transformation carried out by the NFB, the production flow of almost all new animation and documentary projects has been fully digital since the last quarter of 2015–2016.

- In 2015–2016, the NFB became interested in the immersive experience made possible through virtual reality for the design of interactive installations. For example, one project in development will explore the new medium of 360-degree immersion as a way of creating empathy, which will be created through a true documentary approach.
- As of March 31, 2016, 5,986 titles in the active collection were digitized, or 77% of the NFB's active collection. Maintaining a rate of approximately 1,100 films per year, the NFB expects to have digitized its entire active collection before it relocates its Headquarters to downtown Montreal.
- During the year, the NFB adopted a second digital preservation technology as part of a technological partnership with industry leader ASG-Digital Archive. This will enable the NFB to comply with the principle of technological redundancy, keeping two copies of every media asset on two different storage technologies in two separate geographical locations.

Build, reach and engage audiences

Description

The goal is to place the public at the heart of the NFB's process of creating collective experiences, and to work with audiences in an engaged and immersive creative environment. In order to expand its reach to different audience groups while being more responsive to the needs and realities of each group, the NFB must better identify and measure how these audiences are being reached.

Priority Type

Ongoing

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Programs
• Implement the new distribution platform; finish developing the infrastructure geared to NFB.ca Screening Room clients, and carry out the communications and marketing plan to boost traffic and sales on this new platform	April 2015	To be determined	On track	Program 1.2: Accessibility and Audience Engagement
• Expand the NFB.ca Screening Room's offer for the general public by including independent Canadian productions	April 2015	March 2016	Completed	Program 1.2: Accessibility and Audience Engagement
• Experiment with new forms of interactive works, such as the *Interactive Haiku* project	April 2015	March 2016	Completed	Program 1.1: Audiovisual Production
• Conduct marketing research to gain further knowledge about the profile and behaviour of the NFB's audience	April 2015	To be determined	On track	Program 1.2: Accessibility and Audience Engagement
• Implement a relational-marketing strategy in order to win the favour and engagement of our audiences and clienteles	April 2015	March 2017	On track	Program 1.2: Accessibility and Audience Engagement

• Increase the development of content and partnerships for the educational community, develop new learning modules and improve the user experience	April 2015	To be determined	On track	Program 1.2: Accessibility and Audience Engagement
• Develop a distinct destination for CAMPUS, the access portal for the institutional community, and increase the content available to the educational community	January 2016	March 2017	On track	Program 1.2: Accessibility and Audience Engagement

Progress Toward the Priority

• During the first quarter last year, the NFB implemented a new, more flexible online viewing platform making it possible to distribute and stream film content from various distribution partners. The content of the NFB.ca | ONF.ca online Screening Room was enriched thanks to the acquisition of 531 independent productions from 25 distribution partners, which have been added to the NFB's catalogue and are available for rent or download-to-own (DTO). As at the end of the year, the NFB's catalogue consisted of 98% Canadian productions and 2% international productions.

• During the past year, the online offer of Canadian films in English and French on the CAMPUS educational platform increased by 41% – 477 additional films available in 2015–2016 out of a total of 1,637 films.

• During the last quarter of 2015–2016, the NFB conducted market research regarding its audience by means of its database on newsletter subscribers and visitors to NFB.ca. It received 1,792 responses in English and 1,919 in French. The audience profile and behaviour are currently being analyzed.

• The NFB's works were viewed 46.4 million times, on all the different channels combined, by audiences in Canada and abroad, up 2.5% compared to the previous year.

• In 2015–2016, the number of Internet views of NFB works increased by 57.5% compared to 2014–2015 (22.4 million in 2015–2016 compared to 14.2 million in 2014–2015).

• Following promotional campaigns on social media, an increase of 24,379 NFB Facebook subscribers and 25,370 Twitter followers has been observed since the beginning of 2015–2016.

• Of the different Canadian consumer market categories, video-on-demand (VOD) showed the largest growth in number of transactions – an increase of more than 142% in 2015–2016 compared to the previous year.

• Approximately 3,370 NFB productions were offered free of charge this year through the NFB.ca | ONF.ca online Screening Room, 12.5% more than in 2014–2015.

• In the last quarter of 2015–2016, the NFB launched NFB Shorts on Vimeo, a unique channel offering NFB shorts by subscription video-on-demand (SVOD)[5] or by video-on-demand (VOD) for renting specific titles.

• OPTIK TV customers in Quebec, Alberta and British Columbia can now have free, on-demand access to 1,100 NFB documentaries, animated films, features and shorts.

• During the 2015–2016 school year, the NFB held six Virtual Classrooms allowing 18,200 English- and French-speaking students from all regions of Canada to take part in online discussions with such well-known figures as filmmaker Alanis Obomsawin and astronaut Chris Hadfield.

• In co-operation with the Department of Canadian Heritage, the NFB gave an interactive digital storytelling workshop as part of the Canada Day Challenge and created an original study guide. The winners were given a chance to work with a top NFB team of talented education specialists, who helped them make a short film about their adventure in Ottawa.

• The NFB established a partnership with Montreal's Commission Scolaire Marguerite-Bourgeoys as part of a pilot project whose content will enrich the future online educational offering – 65 workshops will be given for 1,950 students.

[5] Subscription model of $4.99 per month for unlimited viewing

Organizational excellence (processes, collaboration and communication)

Description

The NFB is guided by the principles of good governance and accountability as it continues to earn the confidence of Canadians. This priority enables the NFB to define itself as a leading-edge creative organization that has transformed its operational model in order to optimize resources for Canadians.

In renewing its organizational culture, the NFB is creating an environment that favours collaboration and openness, encourages leadership, and values diversity and new operational models.

Priority Type

Ongoing

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Programs
• Put the new performance indicators in place in each division	April 2015	March 2016	Completed	Program 1.1: Audiovisual Production
• Revise the project management and development process in order to optimize the production process and maximize the scope of marketing and communications activities to make the projects known	April 2015	March 2016	Completed	Program 1.2: Accessibility and Audience Engagement
• Develop and implement a public relations and positioning plan to position the NFB with the industry, the general public and the government	April 2015	March 2017	On track	Internal Services
• Provide training for all managers and employees on the underlying principles of ethics and the NFB's new code of ethics	October 2014	September 2015	Completed	Internal Services

• Continue the employment equity plan for women, Aboriginal peoples, visible minorities and persons with disabilities	April 2015	March 2021	On track	Internal Services
• Plan the relocation of the NFB's Headquarters and regional offices and determine the NFB's business needs for operating in the new locations	April 2010	April 2018	On track	Internal Services
• Establish the employee motivation organizational strategy in preparation for the relocation of Headquarters scheduled for 2018	June 2014	March 2016	Completed	Internal Services
• Review policies for managing administrative documents, and establish a new records-disposal plan that will be implemented before the NFB's offices move	September 2015	December 2018	On track	Internal Services

Progress Toward the Priority

• During the past year, as part of the efforts made under the 2016–2020 technological plan, the NFB took steps to improve information management within the organization. An in-depth analysis of NFB critical information was conducted. The relevant corporate data and performance indicators determined by this study were reported on an integrated platform, and efforts were undertaken to optimize the systems and workflow in order to obtain quality, real-time information. Work to develop information-analysis tools and train employees is ongoing and will continue next fiscal year.

• During the first quarter of 2015–2016, the NFB developed a public relations strategy. An in-depth analysis of all public relations activities engaged in by NFB experts was conducted in order to develop a strategy to increase the NFB's visibility, reputation and reach.

• Following the adoption of the new NFB Values and Ethics Code in 2014–2015, a plan was implemented for training employees in this regard.

• After conducting analyses and consulting employees, managers and union representatives, the NFB developed an employment equity action plan. The initiatives set forth in the plan will ensure that the designated groups are fully represented at the NFB.

- In 2015–2016, the NFB implemented a plan to involve employees in a process of reflection on how to create a modern, creative and flexible workplace that will enhance the ways in which staff works together. These efforts will continue until the relocation of NFB Headquarters to the Quartier des spectacles, scheduled for 2018.

- During the past year, the NFB developed an action plan for implementing the Eureka project in order to ensure more efficient management of operational information and records.

For more information on organizational priorities, see the Minister's mandate letter.[viii]

Section II: Expenditure Overview

Actual Expenditures

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	Difference (actual minus planned)
59,652,377	59,652,377	62,616,537	59,832,360	179,983

Human Resources (Full-Time Equivalents [FTEs])

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
373	374	1

Budgetary Performance Summary

Budgetary Performance Summary for Program(s) and Internal Services (dollars)

Program(s) and Internal Services	2015–16 Main Estimates	2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2014–15 Actual Spending (authorities used)	2013–14 Actual Spending (authorities used)
Audiovisual Production	38,068,603	38,068,603	38,068,603	38,068,603	39,580,799	34,823,000	36,188,094	40,451,187
Accessibility and Audience Engagement	13,742,245	13,742,245	13,742,245	13,742,245	14,875,308	16,702,002	17,493,394	18,949,388
Internal Services	7,841,529	7,841,529	7,791,129	7,791,129	7,709,430	7,693,735	8,457,516	7,186,528
NFB Headquarters relocation			2,000,000	12,000,000	400,000	613,623		
Total	**59,652,377**	**59,652,377**	**61,601,977**	**71,601,977**	**62,565,537**	**59,832,360**	**62,139,004**	**66,587,103**

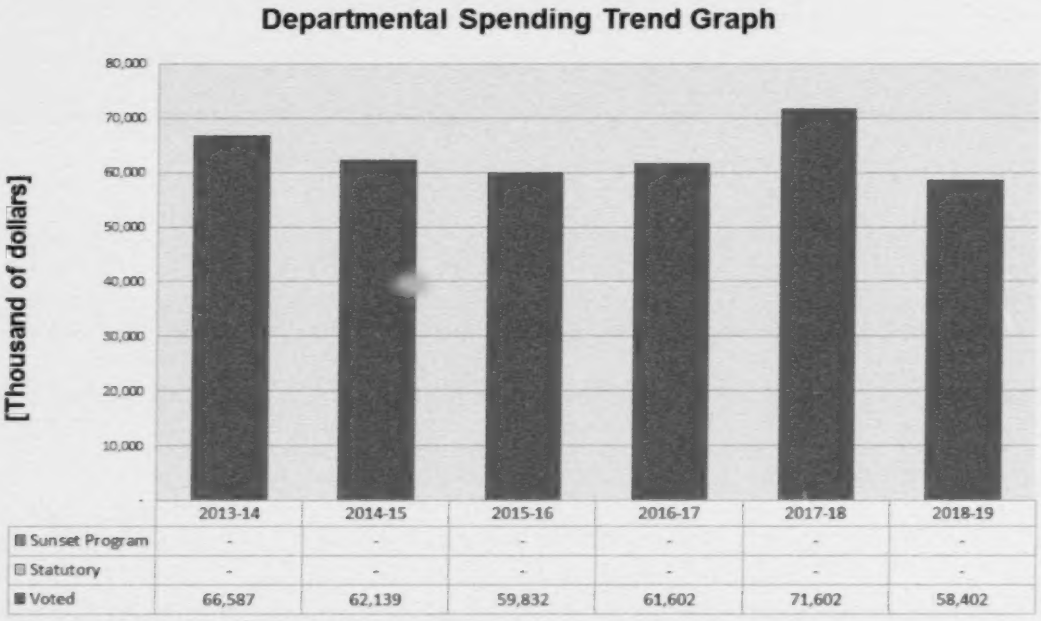
The $62.6 million total authorities available for use in 2015–2016 include a $2.2 million carry-forward from the previous year, part of which is a portion of the $14.4 million loan granted in 2014–2015 for moving the NFB's Montreal Headquarters to the Quartier des spectacles. The appropriation also includes funding for severance pay and parental leaves in 2015–2016.

Actual spending amounts to $59.8 million, allowing $2.7 million to be carried forward to fund the upcoming relocation projects.

Spending on audiovisual production is lower than planned because the production cycle is non-linear and takes place over several years. On the other hand, more technical resources had to be allocated to digital distribution and conservation of the collection because of the work related to strategic projects.

Spending for the Accessibility and Audience Engagement Program includes investments for the digital distribution platform and creation of the Teaching and Learning group in order to develop the NFB's educational offer. Also, implementation of the digitization and conservation plans for the active collection of NFB audiovisual works is continuing and should be completed before the Headquarters relocation in 2017–2018.

Departmental Spending Trend



	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Sunset Program	-	-	-	-	-	-
Statutory	-	-	-	-	-	-
Voted	66,587	62,139	59,832	61,602	71,602	58,402

Expenditures by Vote

The NFB's expenses were reduced as a result of its participation in the Deficit Reduction Action Plan announced in the 2012 federal budget.

The NFB has been allocated funds for temporary financing of its Montreal Headquarters relocation, scheduled to take place in 2018. Construction of the building began in 2015–2016, while 2016–2017 will be devoted to planning and design of the work spaces, with fit-up of the premises slated for 2017–2018.

In 2015–2016, the NFB developed its 2016–2020 technology plan focussing on two main components: innovation with regard to production and distribution, and modernization of the organization's overall systems.

For information on the National Film Board's organizational voted and statutory expenditures, consult the Public Accounts of Canada 2016.[ix]

Alignment of Spending With the Whole-of-Government Framework

Alignment of 2015–16 Actual Spending With the Whole-of-Government Framework[x] (dollars)

Program	Spending Area	Government of Canada Outcome	2015–16 Actual Spending
1.1 Audiovisual Production	Social Affairs	A vibrant Canadian culture and heritage	34,823,000
1.2 Accessibility and Audience Engagement	Social Affairs	A vibrant Canadian culture and heritage	16,702,002

Total Spending by Spending Area (dollars)

Spending Area	Total Planned Spending	Total Actual Spending
Economic affairs		
Social affairs	51,810,848	51,525,002
International affairs		
Government affairs		

Financial Statements and Financial Statements Highlights

Financial Statements

NFB Financial Statements 2015-2016 [xi]

Financial Statements Highlights

Condensed Statement of Financial Position (audited) For the Year Ended March 31, 2016 (dollars)

Financial Information	2015–16 Planned Results	2015–16 Actual	2014–15 Actual	Difference (2015–16 actual minus 2015–16 planned)	Difference (2015–16 actual minus 2014–15 actual)
Total expenses	66,020,000	63,446,996	64,445,424	-2,573,004	-998,428
Total revenues	4,223,000	3,386,603	3,730,191	-836,397	-343,588
Net cost of operations before government funding and transfers	61,797,000	60,060,393	60,715,233	-1,736,607	-654,840

Expenses

Expenses are presented in the financial statements on an accrual accounting basis. The variance between planned and actual expenses is primarily due to two factors: 2015–2016 capitalizable expenditures were higher than expected, and the decline in revenues necessitated an expenditure adjustment in order to maintain a balanced position. Capitalizable expenses amounted to $2.4 million in 2015–2016, compared to $3.8 million in 2014–2015.

Expenses by Major Sectors

Expenses	2015–2016	2014–2015	2015–2016	2014–2015
	$		%	
Programming – English and French	33,403,691	33,207,119	52.6	51.5
Distribution	5,911,553	5,987,065	9.3	9.3
Marketing, Accessibility and Outreach	11,128,758	13,383,256	17.6	20.8
Digital Development and Applications	4,783,031	2,959,199	7.5	4.6
Subtotal	**55,227,033**	**55,536,639**	**87.0**	**86.2**
Internal Services	8,219,963	8,908,785	13.0	13.8
Total expenses	**63,446,996**	**64,445,424**	**100.0**	**100.0**

NB: 2014–2015 expenses were again classified to make them comply with the 2015–2016 presentation.

The decline in expenses in the Marketing, Accessibility and Outreach sector is related to implementation of the NFB's 2013–2018 Strategic Plan, with the offering of NFB educational activities online. In line with this new orientation, it was decided to end the educational workshops given in physical locations in Montreal and Toronto, in June 2015, and to create the Teaching and Learning group within the Educational Markets sector. A new Digital and Relational Marketing sector was also created in order to boost the NFB's digital presence across Canada and around the world.

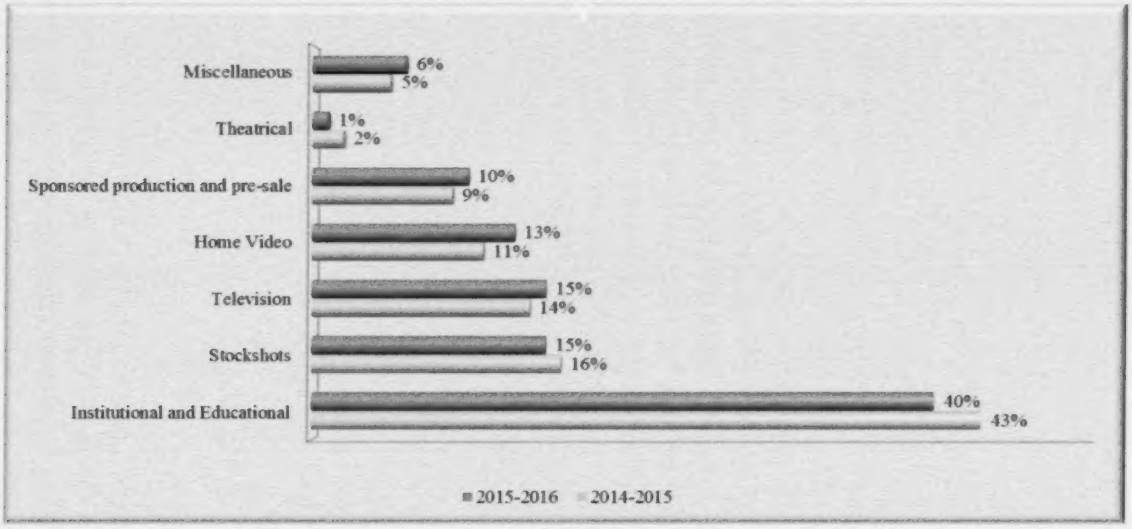
In 2014–2015, the NFB made significant investments in redesigning its NFB.ca | ONF.ca online Screening Room and implementing a Media Asset Management (MAM) system to make better use of its works. These investments were capitalized and will be amortized over the coming years. The fact that the costs were entered as NFB assets explains the lower level of expenses in the Digital Development and Applications sector in 2014–2015.

Revenues

Revenues earned in 2015–2016 amount to $3,386,603, compared to $3,730,191 the previous year, a decline of 9%. This decline is basically due to audiovisual products, which did not achieve the forecast revenue level.

The variance between planned and actual revenues is mainly due to two sectors. First, in the Institutional and Educational sector, the educational workshops and digital production workshops (DigiCamps) were terminated. The shortfall in revenues from these two activities was not sufficiently offset by the forecast increase in revenue from subscriptions to the CAMPUS educational platform.

Revenues by Major Sectors
(as a percentage of total revenue)



Theatrical: Theatrical revenues are stable.

Sponsored production and pre-sale: Sponsored production and pre-sale revenues come in part from a number of partnerships, such as with the Planetarium and the Conseil des arts de Montréal, as well as from the activities of the Aide au cinéma indépendant (Canada) program and pre-sales of production projects.

Miscellaneous: Miscellaneous revenues mainly consist of revenue from the Documentary Channel partnership and gains or losses resulting from fluctuations in the currency exchange rates.

Home Video (Consumer): Revenues from the sale of physical products are declining, in line with the general market trend.

Television: The Television market is shrinking because of the decline in broadcast licences for NFB films. The maturity of the NFB catalogue is also slowing revenue growth in this sector.

Stockshots: The reduction in the number of documentary productions in the Television market has a direct impact on the sale of stockshots, whose revenues are lower than last year's.

Institutional and Educational: Overall revenues from streaming licences are down from previous years because of the number of CAMPUS subscriptions and the slow processing of agreement renewals. The educational workshops also ceased operation in June 2015, since the revenue shortfall was not fully offset by the increase in CAMPUS subscriptions.

Non-Monetary Transactions: The NFB also generated $230,500 in non-financial assets from agreements with institutional partners, including several agreements for offering the #GIFnTAKE experience in exchange for NFB visibility in various Canadian cities.

Condensed Statement of Financial Position (audited) As at March 31, 2016 (dollars)

Financial Information	2015–16	2014–15	Difference (2015–16 minus 2014–15)
Total net liabilities	10,884,900	12,716,609	-1,831,709
Total net financial assets	6,293,487	7,907,214	-1,613,727
Departmental net debt	4,591,413	4,809,395	-217,982
Total non-financial assets	8,030,799	8,472,546	-441,747
Departmental net financial position	3,439,386	3,663,151	-223,765

The decline in net liabilities is primarily due to payment of severance benefit obligations entered on the books following the announcement of a reorganization in March 2015 and to the decline in accounts payable to outside parties. The variation in these items is covered by the Consolidated Revenue Fund and is included in net financial assets.

The decline in the departmental net debt is due to the gradual use of vacation leave and severance benefits. Non-financial assets mainly consist of fixed assets whose net value declined when the value of the amortization was higher than the value of capital acquisitions during the fiscal year. The reduction in the departmental net financial position is related to the decline in the departmental debt and the decline in non-financial assets.

Section III: Analysis of Programs and Internal Services

Programs

Program 1.1: Audiovisual Production

Description

This program contributes to Canadians' understanding of the issues facing our country and raises awareness of Canadian viewpoints around the world.

As a public sector producer, the NFB produces original audiovisual works that reflect diverse Canadian perspectives, including cultural, regional and aboriginal, and emanate from the diverse creators and communities that make up the country. This program operates where the private sector doesn't, allowing creators to explore artistic and technological advances in form and content. It also ensures the identification, development and nurturing of talent and creative skills within filmmaking and other creative communities.

NFB programming is necessary to ensure that Canadians have access to diverse voices and content in both official languages. It promotes Canadian culture and values in events of national historic and cultural significance. As Canadians' media consumption migrates online, the NFB provides leadership in the creation of innovative digital content in both official languages.

Production activities include the conceptualization, research, development and production of documentaries, animation films, new media content and other emerging forms.

Program Performance Analysis and Lessons Learned

In 2015–2016, the NFB completed a total of 119 works, including 43 original films, 6 websites, 2 apps, 2 interactive installations, 1 game, 1 VR project, and 64 films in support of interactive works. And this year again, the excellence of NFB productions was recognized in Canada and abroad, with a total of 66 awards – 35 received in Canada and 31 on the international scene.

THE NFB IN FIGURES	2015–2016	2014–2015
Original films and co-productions	43	61
Interactive websites	6	10
Digital documents in support of interactive works	64	29
Public installations	2	5
Applications for tablets	2	3
Games	1	
Virtual reality	1	
Private-sector films that received production assistance from the NFB / Aide au cinéma indépendant - Canada (ACIC) and Filmmaker Assistance Program (FAP)	74	93
Awards won	66	96
New productions on NFB.ca/ONF.ca	376	583

Awards and tributes

The animated films *If I Was God...* by Cordell Barker and *Carface* by Claude Cloutier were among the 10 films shortlisted for the Oscar for Best Short Film – Animated. Also in animation, *In Deep Waters* by Sarah Van Den Boom garnered four awards abroad, including the Festivals Connexion Award at the Annecy International Animation Film Festival and the Prix de la critique at the Festival Off-Courts at Trouville-sur-mer, France.

Sophie Deraspe's documentary *The Amina Profile* won the Special Jury Prize for Best Canadian Feature at Hot Docs, plus three other awards at foreign festivals, including the Tel Aviv International LGBT Film Festival. *Hadwin's Judgement* by Sasha Snow received the award for best film at two Canadian mountain film festivals.

In the category of interactive works, Jeremy Mendes's website *Seven Digital Deadly Sins* garnered eight awards, including three prestigious Webby Awards in the United States. The interactive documentary series *Do Not Track* by Brett Gaylor, which has racked up over 1,300,000 visits since the release of the first episode in April 2015, received six awards, including four on the international scene. We should also note the success of one of the NFB's first forays into the world of video games, with *I Love Potatoes* by artist Vali Fugulin, which was named mobile app of the day by England's Favourite Website Awards (FWA) as well as Best Social Casual Game at the Canadian Video Game Awards.

We should also note that the NFB's expertise was recognized by 151 industry panels, presentations and round tables in Canada and abroad. Of all the events in which NFB experts participated, 54 were on documentary (36%), 26 on animation (17%), 25 on interactive media (17%), and 11 on virtual reality (7%).

Outstanding projects in 2015–2016

A number of NFB works distinguished themselves in 2015–2016, including the feature documentary ***Ninth Floor***, which had its world premiere at the Toronto International Film Festival (TIFF) and was selected for TIFF's prestigious annual Canada's Top Ten film festival.

In animation, the film *Blind Vaysha* by Theodore Ushev, produced with the participation of ARTE France, was selected by the renowned Berlin International Film Festival, where it had its world premiere. Howie Shia's animated short *BAM* had its world premiere at TIFF.

2015–2016 also saw public and critical acclaim for the NFB's interactive and virtual reality works. In January 2016, the NFB's VR projects *The Unknown Photographer* and *Cardboard Crash* were among the 31 creations presented to festival-goers at the influential Sundance Film Festival, in Park City, Utah.

New partnerships in creation and innovation

In November 2015, the NFB teamed up with the IDFA DocLab, a program of the International Documentary Film Festival Amsterdam, to create the Virtual Reality Lab, which combines programming, creation and business opportunities to support innovative VR documentary projects.

During the past year, the NFB, New Media Manitoba, On Screen Manitoba and the Canadian Museum for Human Rights (CMHR) joined forces to present Creation Lab, an opportunity for talented Manitoban artists to discuss and collaborate on the development of prototypes for interactive digital storytelling installations.

The NFB also established a partnership with JustFilms, the Ford Foundation's film program, in co-operation with the Canadian Film Centre in order to offer support for 12 multidisciplinary artists from communities that are under-represented in media production, as part of a creative lab to be launched in fall 2016.

National projects and large-scale events in 2015–2016

During the 2015 Pan Am Games, the film installation *Souvenir* was presented at the Aboriginal Pavilion at the Fort York National Historic Site's Visitor Centre, from July 13 to August 9 2015. The series of four short films premiering as part of the installation addressed themes of Indigenous identity and representation and had been made by Aboriginal filmmakers using NFB archival material.

Bringing together 13 artists from seven countries, the interactive tour *Common Space*, an NFB co-production in partnership with the Quartier des spectacles and MUTEK, was part of the international Human Futures project. Using technology, video projections and interactive tools, the creators invite visitors to rethink their perception of their surroundings and the public space.

For the eighth year in a row, the NFB brought together acclaimed Canadian filmmakers with NFB producers to create inspired and inspiring profiles of the recipients of the Governor General's Performing Arts Awards (GGPAA). With this year's seven prestige films celebrating the achievements of these great Canadians, the NFB has now produced a total of 63 short films for the GGPAA Gala, a unique outreach opportunity for the NFB.

We should also note that the NFB created a new unit to focus on institutional projects, in the great tradition of NFB innovation. The unit will strive to enrich its collaboration with federal departments and national museums in order to build partnerships for creation and production, while enriching existing partnerships for the distribution of new works and interactive/immersive experiences for Canadian and foreign visitors.

Support for emerging creators

In 2015–2016, 25% of completed audiovisual works were by emerging filmmakers. The NFB also launched the 2016 edition of the Tremplin competition, in co-operation with Radio-Canada, to give emerging French-speaking filmmakers outside Quebec a chance to direct their first or second documentary. The projects of the two winners, André Roy of Dieppe, New Brunswick, and Julien Capraro of Vancouver, British Columbia, will be broadcast on Radio-Canada on March 31, 2017.

For its 11th edition, the Hothouse program offered six emerging animators from across Canada a 12-week apprenticeship with the NFB's Animation Studio. The six participants each made an animated short with a maximum running time of one minute with the assistance and support of mentor/director Malcolm Sutherland, who had participated in the very first Hothouse. All films produced as part of the competition can be viewed on the NFB.ca | ONF.ca online Screening Room.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
38,068,603	38,068,603	39,580,799	34,823,000	-3,245,603[6]

Human Resources (Full-Time Equivalents [FTEs])

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
227	197	- 30[7]

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
The NFB's audiovisual works are innovative	Percentage of Canadian public that perceives the NFB as an innovative, creative institution	65% innovative 75% creative	70% innovative 81% creative
	Percentage of prestige awards and tributes among total number of awards earned at Canadian and international festivals (i.e., innovation-related awards, creative excellence awards, tributes, Canada Award for Diversity)	20%	21%

[6] Audiovisual production expenditures are lower than forecast because the production cycle is non-linear and takes place over several years. On the other hand, more technical resources had to be allocated to digital distribution and conservation of the collection because of the work related to strategic projects.

[7] The difference is due to the fact that employees were reclassified under the Accessibility and Audience Engagement Program for implementation of the Media Asset Management (MAM) system and revamping of the NFB.ca | ONF.ca online Screening Room.

Emerging and established Canadian creators at the NFB reflect Canada's diversity	Percentage of completed audiovisual works by emerging filmmakers[8]	30%	25%
	Numbers of emerging filmmakers working on a film at the NFB or participating in NFB-organized talent-nurturing initiatives, including competitions	120	141
	Percentage of completed audio-visual works by culturally, regionally and linguistically diverse filmmakers, Aboriginal filmmakers and people with disabilities	55%	64%
Events of historic and cultural significance promoting Canadian culture and values include NFB participation	Number of productions for major national and international projects	13	15

[8] To be considered "emerging," it must be the filmmaker's 1st, 2nd or 3rd film.

Program 1.2: Accessibility and Audience Engagement

Description

This program ensures that Canadians and world audiences are able to access, view, discuss and engage with innovative Canadian content that reflects Canadian stories and perspectives. As media consumption migrates online, Canadian content must be made available in all digital and mobile forms.

Delivery mechanisms include the distribution, marketing and commercialization of audiovisual works via a diverse catalogue, a well-established stock footage library, the development of diversified markets (i.e.: theatrical, television, consumer and institutional) via online and traditional channels in Canada and abroad. These activities make works widely accessible across Canada, notably to underserved and remote communities, Aboriginal and official language minority communities.

NFB's accessibility and audience engagement activities contribute to a dynamic Canadian culture and heritage.

Program Performance Analysis and Lessons Learned

In 2015–2016, increased efforts were made to boost the NFB's presence in different communities throughout Canada, to target its audiences and get to know them better, and to build a richer, ongoing relationship with them.

Audiences

In 2015–2016, the total audience in Canada and around the world grew by 2.5% over 2014–2015, reaching more than 46 million views. This increase is primarily due to views by international audiences on partner websites (especially YouTube) and to views of interactive productions.

CANADIAN AUDIENCES	2015–16	2014–15
Views on NFB.ca and ONF.ca	1,806,904	2,471,577
Views of interactive productions	308,217	103,689
Views on partner online video sites (YouTube, Dailymotion)	2,043,076	1,405,105
Ratings for NFB films on television	15,596,000	18,365,000
Views in the institutional sector (health and social services, public libraries, etc.)	2,110,528	3,003,055
Views in the educational sector (including 193,194 views by CAMPUS subscribers)	5,037,078	7,159,693
Consumer views	17,704	11,711
Workshop participants in Canada	11,286	27,165
Spectators at public screenings of NFB films (including theatrical screenings)	440,999	922,347
Estimated total Canadian audience	**27,371,792**	**33,469,342**

Internet views

In the past year, for all channels as a whole, Internet views increased by 4% in Canada and 57% worldwide. While views of films on the NFB.ca | ONF.ca online Screening Room declined in Canada (-27%) and worldwide (-29%) compared to the previous year, the downward trend was offset by the significant increase in the number of views on our partners' websites, which were up 45% in Canada and almost 90% worldwide in 2015–2016 compared to 2014–2015, and by the strong increase in views of NFB interactive productions (more than 170% in Canada and more than 158% worldwide in 2015–2016). This increase is primarily due to the interactive projects *Do Not Track*, *Bread*, *Seven Digital Deadly Sins*, *Bear 71* and *Fort McMoney*.

The increase in views via online partners is due to the increase in NFB content on YouTube and Vimeo and to the exceptional growth in the use and views on the YouTube platform by users around the world.

Internet Views (Canada and abroad)	Total 2014–2015	Total 2015–2016	% variance for the fiscal year
NFB.ca/ONF.ca	4,427,305	3,160,098	-29%
Interactive productions	1,026,252	2,645,184	158%
Online partners	8,757,693	16,574,236	89%
Total Internet	14,211,250	22,379,518	57%

Sales in the consumer market

In 2015–2016, DVD and DTO[9] sales experienced declines of 16% and 19%, respectively, in the Canadian consumer market, owing to the general decline in the DVD sales market.

The video-on-demand (VOD) model is gaining popularity on the international scene and in Canada. Overall VOD sales have risen by 142%, a significant increase primarily related to the renewed content on the NFB.ca | ONF.ca Screening Room, which was launched in April 2015 and accounts for 58% of total transactions, with 11,721 transactions for the fiscal year.

Institutional and educational market

In 2015–2016, the NFB offered six Virtual Classrooms, which were a great success. The three sessions in English and three in French allowed 18,200 English- and French-speaking students from all regions of Canada to participate in online discussions with well-known figures such as filmmaker Alanis Obomsawin and astronaut Chris Hadfield, and also enabled students to celebrate the 100th anniversary of John McCrae's iconic poem, "In Flanders Fields."

In 2015–2016, the number of views on CAMPUS dipped slightly (192,437 in 2015–2016 compared to 196,487 last year). Sales in the institutional and educational market were also down 20% compared to last year. Overall revenues from streaming licences were down compared to previous years because of the growing number of CAMPUS subscriptions, the slowness of the agreement renewal process and the ongoing impact of the *Copyright Act* on NFB revenues.

The NFB organized a major promotional campaign to encourage the main school boards and commissions to subscribe to CAMPUS, and sent out personalized letters and e-mails to decision makers and educators. These efforts should begin to show results in the next fiscal year.

In the United States, CAMPUS revenues are declining owing to consumer fatigue for this type of platform (the NFB being a new player in a market that already has a number of competitors, such as Alexander Street and Kanopy), and few releases of new titles in the American institutional market.

[9] Download-to-own

Public screenings

For the 10th year in a row, the NFB partnered with the Rendez-vous de la Francophonie, which attracted almost 6,000 spectators with 182 public screenings in 60 Canadian cities in March 2016. Twenty-one NFB productions were also shown at this year's Rendez-vous du cinéma québécois. The number of views at public screenings across Canada was far lower than in 2014–2015, totalling just over 440,000 views in 2015–2016. However, this was simply a return to normal since audiences for public screenings in Canada had been exceptionally high in 2014–2015 because of important events held that year.

As it does every year, on June 21 the NFB celebrated National Aboriginal Day with unique programming online and across Canada: some 50 screenings of the film *Trick or Treaty?* at partner public libraries, with filmmaker Alanis Obomsawin present at some of the screenings. A selection of 12 titles was offered on the front page of the NFB.ca website, garnering over a thousand views. We should also note that as part of the closing events of the Truth and Reconciliation Commission (TRC), the NFB screened *Trick or Treaty?* to a full house of 300 persons at the National Gallery of Canada, with director Alanis Obomsawin and Commissioners Wilton Littlechild and Marie Wilson in attendance.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
13,742,245	13,742,245	14,875,308	16,702,002	2,959,757[10]

Human Resources (Full-Time Equivalents [FTEs])

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
96	126	30[11]

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Canadian and international audiences view and engage with NFB works	Percentage of Canadian population who say they viewed an NFB production in the last year	30%	39%
	Total number of views of NFB works	35 million	46,213,608
	Total number of users by level of engagement (registered or customer)	100,000 registered and 12,000 customers	567,208 registered and 19,736 clients
	Total revenues generated	$5.2 million	$2,961,981

[10] The increase in spending in the Accessibility and Audience Engagement Program is largely due to investments made for the transition of the digital distribution platform to e-commerce and for the creation of the Teaching and Learning group in order to develop the NFB's educational offer.

[11] The difference is due to the fact that employees were reclassified under the Accessibility and Audience Engagement program for implementation of the Media Asset Management (MAM) system and revamping of the NFB.ca | ONF.ca online Screening Room.

Internal Services

Description

Internal services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. Internal services include only those activities and resources that apply across an organization, and not those provided to a specific program. The groups of activities are Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Program Performance Analysis and Lessons Learned

During the year, the NFB continued its organizational transformation projects in order to position itself as the uncontested leader of audiovisual content in the digital industry. To achieve this, the institution continued to focus on a flexible structure capable of constantly evolving, an open and entirely digital technological environment, an information-based architecture and a collaborative workplace.

To support good and effective collaboration among its teams and studios, the NFB adopted a technology plan calling for the implementation of a cutting-edge collaborative digital environment. Digitization of the entire production flow is one of the basic elements of the NFB's 2016–2020 technology plan. Since the last quarter of fiscal 2015–2016, the production flow of almost all new NFB projects has been fully digital, thereby increasing the efficiency of the production, exploitation and distribution of the works and assets and improving information on audiences. Also, with the help of the consulting firm Deloitte, the NFB developed a strategy for using collaborative tools to create an innovative digital work environment that will provide connectivity and foster collaboration throughout the organization.

The NFB also continued deploying the integrated Media Asset Management (MAM) system, which has involved a great deal of work over the past few years. In 2015–2016, work continued on importing data, adding functionalities, modifying the configurations and adding specialized assets.

As another aspect of its technology plan, the NFB also worked on optimizing its internal information-management systems. A working group on reports was established and began the process of determining and documenting the list of essential operational and strategic data and NFB business rules. Work to integrate critical data, produce automated analytical reports and train users is ongoing.

NFB governance practices

To comply with the Government of Canada's Directive on Recordkeeping, the NFB developed an action plan for implementing the Eureka project and carried out the initial phases during the past year. Also, acting on its commitment to comply with the Directive on Departmental Security Management, the NFB presented a new security plan for improving physical security, security of individuals and IT security, and began developing a security policy.

Finally, to reflect the increasing diversity of the Canadian population within its own staff and with the artisans with whom it collaborates, the NFB established a diversity committee to implement mechanisms to help it meet its employment equity, multiculturalism and official-languages obligations, and to encourage the diversity in perspectives and ideas that is central to the NFB's mandate and helps to drive its innovation and organizational effectiveness to a higher level. The committee's reflections have resulted in the development of an employment equity plan for achieving full representation of the four designated groups within the NFB's workforce. The plan was established following a rigorous process of analysis and consultation with employees, managers and union representatives.

Relocation

In the past year, the NFB continued its activities in preparation for the relocation of some of its offices across Canada. For the relocation of its Montreal Headquarters to the heart of the Quartier des spectacles entertainment district, scheduled for spring 2018, the NFB has been working closely with Public Services and Procurement Canada and the Société d'habitation et de développement de Montréal (SHDM) on planning the work.

To promote a collaborative approach and natural synergies among the teams, a mobilization strategy was developed to allow all NFB employees to think of different ways they could work together and achieve a more inclusive workplace. This profound transformation in the methods of collaborating included reflection on new work environments and aspects related to the organization of work spaces and common areas.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
7,841,529	7,841,529	7,709,430	7,693,735	-147,794

Human Resources (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
50	51	1

Section IV: Supplementary Information

Supporting Information on Lower-Level Programs

Supporting information on lower-level programs is available on the National Film Board's website [xii].

Supplementary Information Tables

The following supplementary information tables are available on the National Film Board's website.

- Departmental Sustainable Development Strategy
- Horizontal Initiatives
- Response to Parliamentary Committees and External Audits

Federal Tax Expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the Report of Federal Tax Expenditures.[xiii] This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

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Appendix: Definitions

appropriation (crédit): Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (dépenses budgétaires): Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report (rapport ministériel sur le rendement): Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent (équivalent temps plein): A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes (résultats du gouvernement du Canada): A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure (Structure de la gestion, des ressources et des résultats)**:** A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures (dépenses non budgétaires): Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (rendement)**:** What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

performance indicator (indicateur de rendement): A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting (production de rapports sur le rendement): The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending (dépenses prévues): For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

plans (plan): The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities (priorité)**:** Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program (programme)**:** A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (architecture d'alignement des programmes)**:** A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities (rapport sur les plans et les priorités): Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

results (résultat): An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (dépenses législatives): Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome (résultat stratégique): A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program (programme temporisé): A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target (cible): A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures (dépenses votées): Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

Whole-of-government framework (cadre pangouvernemental): Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

i. http://lois-laws.justice.gc.ca/eng/acts/N-8/
ii. http://lois-laws.justice.gc.ca/eng/acts/N-8/
iii. http://laws-lois.justice.gc.ca/eng/acts/F-11/
iv. http://laws-lois.justice.gc.ca/eng/acts/a-1/
v. http://laws-lois.justice.gc.ca/eng/acts/P-21/
vi. http://laws-lois.justice.gc.ca/eng/acts/O-3.01/
vii. http://laws.justice.gc.ca/eng/acts/C-18.7/
viii. **Minister's mandate letter**, http://pm.gc.ca/eng/ministerial-mandate-letters
ix. **Public Accounts of Canada 2016**, http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html
x. **Whole-of-Government Framework**, http://www.tbs-sct.gc.ca/hgw-cgf/finances/rgs-erdg/wgf-ipp-eng.asp
xi. **NFB Financial statement 2015-2016**, http://www.onf-nfb.gc.ca/medias/download/documents/pdf/nfb-financial-statements-2015-2016.pdf
xii. **National Film Board, Performance Report 2015-2016**, http://www.onf-nfb.gc.ca/dpr2015-2016
xiii. **Report of Federal Tax Expenditures**, http://www.fin.gc.ca/purl/taxexp-eng.asp
xiv. **National Film Board, Strategic Planning and Government relations**, reports@onf-nfb.gc.ca